had requested for allotment of Bisrar coal block stating that they have revised the capacity of their proposed power plant from 2x500 MW to 2x660 MW and the two blocks of Gidhmuri and Paturia will not be able to meet the coal requirement of the revised capacity.

(b) and (c) The request of M/s CSEB was considered by the Screening Committee constituted for the purpose of allocation of coal blocks for captive mining in their meetings held on 15.04.2005 and 18.10.2005. On examination the Screening Committee found that considering the quality of coal, coal reserves in the Gidhmuri and Paturia coal blocks would be sufficient to meet the coal requirement for 1320 MW proposed power project for 30 years and shortage, if any, would be marginal and linkage could be taken to meet such shortage. This was informed to the representative of the Government of Chhattisgarh in the meeting dated 18.10.2005.

(d) Since Gidhmuri and Paturia coal blocks for the project have already been allocated to M/s CSEB, the work on the proposed project would not be hampered due to non-availability of coal.

Reforms in coal sector

3497. SHRIMATI N.P DURGA: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that the Planning Commission has put forward a number of proposals to kick start reforms in the coal sector;

(b) whether it is also a fact that one of the proposals is to give coal sector the infrastructure status;

(c) whether the Planning Commission has recommended amending the Mines Act, to allow coal blocks to private parties;

(d) if so, the details thereon; and

(e) what are the other proposals put forward by the Planning Commission?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYAN RAO): (a) to (e) The Planning Commission has made

the following recommendations during Mid-term Review of the Tenth Plan:—

1. Pending the passage of the Coal Mines Nationalisation (Amendment) Bill, 2000, increase the number of players in coal mining through captive mining. Increase the flexibility of captive mines by permitting captive block holders to sell incidental coal surpluses during development and operation of the block to CIL or directly to currently linked end users; and allow group-captive mines. Set a target for the Ministry of Coal to achieve at least 50 Mt. of captive production by 2012.
2. Amend Section 3 of the Coal Mines (Nationalisation) Act, 1973 to facilitate offering of coal blocks to potential entrepreneurs through competitive bidding.
3. Restructure CIL. One possibility could be dismantling of the holding company structure, extending autonomy to the individual coal companies, allowing these coal companies to compete with one another and reviving the loss making coal PSUs.
4. Permit trading and marketing of coal by removing it from the list of essential commodities.
5. Make available about 10 per cent of the domestic production through e-auctions open to traders and actual users.
6. Promote additional thermal coal imports under long term supply contracts.
7. Change grading and pricing of non-coking coal from the existing useful heat value (UHV) to the international practice of pricing coal based on gross calorific value (GCV). This is expected to encourage efficient use and promote use of washed coal.
8. Amend the provisions of Contract Labour (Regulation & Abolition) Act, 1970 to facilitate offloading of certain activities in coal mining for improved economics of operations.
9. Replace coal linkages with fuel supply agreements.
10. Promote in situ coal gasification and tapping of coal bed methane.

11. Rationalise rail freight rates for coal transport.

12. Extend infrastructure status to the coal industry. Lower duties on capital goods imported for coalmines.

13. Institute an independent regulatory mechanism for the coal sector.

14. Review the royalty on coal and consider switching to an ad-valorem basis.

Foreign investment in coal mines

†3498. SHRIAJAY MAROO: Will the Minister of COAL be pleased to state:

(a) whether there is any proposal under consideration of Government to allow foreign companies to make hundred per cent investment in the coal mines;

(b) if so, the details of the said proposal; and

(c) the policy of Government regarding this proposal?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYAN RAO): (a) to (c) The Government has reviewed the policy on Foreign Direct Investment (FDI) and decided to increase FDI caps to 100% and permit it under the automatic route for coal and iignite mining for captive consumption by power projects, iron and steel, cement production and other eligible activities permitted as per the provisions of the Coal Mines (Nationalisation) Act, 1973.

Modernisation of Telecom services

3499. SHRI N.R. GOVINDARAJAR: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether in the present scenario of growing competition from the

† Original notice of the question was received in Hindi.